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Air Conditioning & REFRIGERATION



NEWS

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Small Business Group to Meet In Washington

WASHINGTON, D. C.—Representatives of more than 50 retail and wholesale associations from all sections of the country will meet with the Senate Committee on Small Business Jan. 19 to begin a three-day discussion of issues pertinent to the committee's legislative program for the coming session of Congress, it is reported here.

Three specific subjects to be considered, one a day, by the meeting deal with:

1. Government's policy on meeting essential civilian requirements.
2. Voice or influence of smaller wholesalers and retailers on government policy making.
3. Necessary steps to take today for securing a competitive distribution system after the war.

Senator James E. Murray, chairman of the Small Business committee, indicates that serious attention also will be given to a proposal already before his group to recommend to Congress creation of an improved credit system with authority to provide necessary capital for ex-
(Concluded on Page 2, Column 3)

'Industry Advocate' Will Examine All Questionnaires

WASHINGTON, D. C.—An "Industry Advocate" has been appointed by the War Production Board to help iron out burdens imposed on business and industry in filling out government questionnaires, the Office of War Information here announces. James Clay Woodson has been named to the position.

His job will be examination of questionnaire forms sent to industry, weighing government's need for requested information against the extra work made for business in providing data. In studying forms, Mr. Woodson will talk with business men to see that their points of view are
(Concluded on Page 2, Column 4)

Midgley To Head American Chemical Society in 1944

NEW YORK—Dr. Thomas Midgley, Jr., whose scientific discoveries have played a major role in the development of a number of industries, including air conditioning and refrigeration, has been elected president of the American Chemical Society for 1944.

During 1943 Dr. Midgley will serve as president-elect of the society, while its presidency is filled by Per
(Concluded on Page 2, Column 3)

Used Machine Value Clarified by Order L-83 Amendment

WASHINGTON, D. C.—Means of determining the value of used machines—a type of equipment named in a definition of "critical industrial machinery" governed by General Limitation Order L-83 as amended May 18—is clarified in Interpretation No. 1 of the order issued here by Ernest Kanzler, director general for operations.

Except for certain specified items, L-83 provides that for purposes of the order the value of a new, used, or reconditioned machine named in List A of the order shall be equal to its selling price.

To take care of cases where a machine is sold in broken-down condition with an understanding by seller or buyer that, in connection with the sale, the machine must be repaired to become an effective instrument, Interpretation No. 1 states that under such circumstances "value of the machine . . . is . . . the aggregate of the selling price of the inoperable machine plus the cost of repairing or reconditioning the machine to the point where it can operate effectively."

Points out the War Production Board: the sale of a broken-down machine followed by reconditioning to make it operable does not escape authority of the regulation merely on the grounds that the sale price of the inoperable machine was fixed at a value below limitations established and covered by L-83.

Single PD Form for Industry Is Drafted

Committee Suggests Change
To Eliminate Six Forms

WASHINGTON, D. C.—Revision of the PD forms which are used by the refrigeration and air conditioning industry to apply to the War Production Board for permission to purchase new machinery has been recommended by the General Refrigeration and Air Conditioning Advisory committee.

At the present time, the industry uses six forms. These are: PD-1A; PD-420; PD-616A; PD-615; one treasury procurement form, and one lend-lease form.

The proposed form would take the place of all of these and also contain the basic data required if appeal under orders M-9-c, M-126, L-100, L-163, L-172, and L-123 is necessary.

The committee also discussed proposed changes in Limitation Order L-38, which restricts manufacture and sale of refrigeration and air conditioning equipment. Recommendations for such amendment were passed on to WPB.

Nelson Optimistic on Steel & Copper for 1943

WASHINGTON, D. C.—Steel and copper situations for the coming year appear somewhat brighter, Donald M. Nelson told a press conference here Dec. 24.

Touching briefly on the production outlook for 1943 he stated, "Situations which just a few months ago were tight are now brighter and although the steel picture is not comfortable, if we carry through the steel program, schedules will be met without steel being the limiting factor."

Concerning copper, he revealed that things are shaping up much better and said that programs outlined for 1943 will be met.

Mr. Nelson predicted that the new year will be a period of the greatest coordinated production that the country has ever seen.

This is the bulletin issue of the News. More details on the news stories plus special features in next week's full size issue.

The Priorities Quiz

(AIR CONDITIONING & REFRIGERATION News, with the aid of a man who is actually engaged in handling much priorities work, will attempt to answer questions from readers about priorities problems. The editors will not guarantee to answer all questions, nor can they guarantee that the answers will be legally perfect, but an effort will be made to provide a guide to correct procedure wherever possible.)

Interpretations of Copper Order

Q. Would it be possible for you to give us in plain words, your interpretation of the Copper Order on the following two questions?

1. Is it permissible for us to move for a customer who has no priority, refrigerating equipment in the moving of which it is necessary for us to use copper which we have in stock?

2. Is it permissible for us to install refrigerating equipment on an A-8 preference rating?

A. The restrictions imposed by Copper Order M-9-c do not apply to installations of any items for an ultimate consumer when all the work is done on the premises of the consumer, nor do the restrictions of Copper Order M-9-c-4 apply to the use of copper where it is used to attach or build material to or into a machine such as a refrigerator. As far as the copper orders are concerned, therefore, you are under no restrictions in either of the cases mentioned above.

It is important to remember, how-

ever, that the installation of refrigeration equipment is restricted by "Limitation Order" L-5-a, b, c, and d regarding domestic mechanical refrigerators and Order L-38 regarding other than domestic mechanical refrigeration equipment. Inasmuch as your question refers only to restrictions under the copper orders, it is assumed that the conditions of orders L-5 and L-38 have been met and present no problem relative to these questions.

Allotments of Materials To 'B' List Companies

Q. We understand that manufacturers of parts on the "B" list of the new CMP will receive allotments of raw materials direct from the WPB. We have, nevertheless, been receiving requests from our customers to furnish Bills of Materials to them on "B" items which we furnish them. Should we refuse to give them this information because of the fact that we will get materials directly from the WPB or should we file Bills of Materials with these customers as they request?

A. The WPB has suggested in cases of this kind that the producer of a Class B product refer any customers who ask for a Bill of Material to the CMP General Instructions on Bills of Materials issued under date of November 14 and inform him that these instructions indicate that any "B" products which he requires need only be shown on his Bills of Material by dollars and cents or units as indicated on the "B" product list and not by raw material breakdown. In other words, the WPB says do not furnish Bills of Materials to your customers if you are furnishing them with "B" products.

CMP Allotment Numbers

Q. A number of bulletins issued on the CMP have stated that to some extent allotment numbers will take precedence over preference ratings when the CMP goes into effect. To what extent is this true? In what preference are our customers' orders to be shipped after April 1?

A. There has been a recent change in this question of preferential attention. The rule now is that orders with allotment numbers are to be given preference over orders without allotment numbers regardless of the preference ratings on the orders—that is an AA-5 rated order with an allotment number must be shipped before an AA-1 order without an allotment number. The only exception to this preferential treatment of orders with allotment numbers is that for producers of fabricated items "AAA" orders must be shipped ahead of other orders even though the "AAA" order does not carry an allotment number. This exception does not apply to producers of controlled materials such as a brass mill. These producers have been advised by the WPB that orders with an allotment number will take precedence over even "AAA" orders on which there are no allotment numbers.

Copper Clad Steel Scrap Put Under Allocation Control

WASHINGTON, D. C.—Copper clad steel scrap was brought under full allocation control Dec. 23 by Copper Order M-9-b as amended by the Director General for Operations. The revised order also sets up a special procedure for the disposal of fired shell cases made of copper, copper-base alloy, or copper clad steel in amounts of 10 pounds or more.

Fired shells, obtained from arsenals, proving grounds, and the battlefronts, contain valuable metals which can be returned to brass mills and reprocessed into various war materials.

Persons seeking authorization to accept delivery of copper clad shell cases must furnish the Director General for Operations with a letter setting forth all details, including the end use to which the material will be put. Persons seeking delivery of copper or copper base alloy shell cases must apply to the Copper Division on Form PD-59.

Processors and manufacturers who generate any type of copper scrap are limited by the revised order to an inventory of one ton. Previously, an inventory of five tons was permitted. Similarly, reports are now required of any person accumulating 500 pounds of generated or obsolescent scrap in any one month, instead of 2,000 pounds.

Retailers Will Meet With Senate Group

(Concluded from Page 1, Column 1) pansion, conversion, and re-entry of smaller businesses into the economic picture when the war is ended.

Claiming that federal agencies are handling essential civilian requirements inadequately, Senate committee members look on the first discussion question as one of basic importance, opinions reveal. While admitting that shortages of civilian goods cannot be avoided during a war, they contend that unnecessary shortages are dangerous to the effective fighting of the war on the home front.

Since the war "is laying the foundation for the economic structure of the future," the group argues, "it is imperative to pay increased attention now to the things that can be done now to assure the existence of a free economy when the war is over."

Dr. Midgley Will Head Chemical Society

(Concluded from Page 1, Column 2) K. Frohlich, director of the Esso Laboratories' chemical division, Dr. Frohlich succeeds Harry N. Holmes.

With Dr. Albert L. Henne of Ohio State University, Dr. Midgley developed the organic chlorofluorides which have become widely used as non-inflammable, non-toxic refrigerants and are credited with contributing much to the advancement of air conditioning and refrigeration.

Now serving as vice president of Ethyl Corp. and currently active in wartime research projects, he is internationally known for his discovery of tetraethyl lead as an anti-knock agent for gasoline, which made possible the modern automotive and aircraft engines.

Heat Exchanger Test Simplification Wins GM \$1,000 Bond Award

LOCKPORT, N. Y.—Joseph Breloff, test operator for the Harrison Radiator division of the General Motors Corp., used his head to save himself some work. As a result he now has a \$1,000 war bond—the highest prize given by General Motors for suggestions to speed war production.

Mr. Breloff's job is testing heat exchangers—heavy metal chambers used in refrigeration and for various other purposes—for leakage and resistance to pressure. And his prize-winning idea, which eliminates tightening and loosening of nuts and bolts in the operation, increases production on such tests by 25 per cent.

Woodson to Study All Questionnaires of Govt. Agencies

(Concluded from Page 1, Column 1) fully considered. Industrial executives who feel that they are receiving WPB questionnaires which in their opinions cannot be answered are now invited to bring their troubles to the Industry Advocate.

"When Mr. Woodson finds that questionnaires burden industry more than they help the war program, he will so inform the Office of Survey Standards within the WPB," explains OWI. "This office has the power to veto proposed forms."

On specific complaints, it also will be Mr. Woodson's job to review applicability of questionnaires already sent out. In this work he relieves from duty Joseph I. Lubin, chairman of the Committee of Data Requests from Industry.

WPB's Industry Advocate backs his new work with 25 years' experience in engineering and manufacturing. Before his appointment to the board he was for seven years vice-president and general manager of the Lee Wilson Engineering Co., industrial furnace manufacturers. From 1922 until 1928 he served as section engineer for the Westinghouse Electric and Manufacturing Co. in East Pittsburgh and Mansfield, Ohio, and until 1935 was manager of the company's Industrial Heating engineering department.

Mr. Woodson was graduated in 1915 from Oklahoma State A. & M. college with a B. S. degree in electrical engineering and has since earned E. E. and M. E. degrees.

He was named Industry Advocate after WPB consultation with the Advisory Committee on Government Questionnaires, headed by W. J. Donald, managing director of the National Electrical Manufacturers Assn., and composed of executives of various business associations.

Philco Nets \$595,853 For 3rd Quarter

PHILADELPHIA—Net income of Philco Corp. in the third quarter of 1942, after provision for estimated Federal and State income and excess profits taxes, amounted to \$595,853, or 43 cents per share, of which \$11,000 or eight cents per share is the post-war refund provided for by the Revenue Act of 1942, it has been announced by James T. Buckley, president.

In the third quarter of 1941, the company had adjusted net income of \$644,039, or 47 cents per share.

For the first nine months of 1942, net income of Philco Corp. amounted to \$1,398,280, or \$1.02 per share, including the post-war refund of \$333,000, or 24 cents per share. These earnings compare with adjusted net income of \$1,502,146 or \$1.09 per share in the first nine months of 1941.

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Ruthenburg Urges Regeneration of United Spirit in America

By Louis Ruthenburg, President, Servel, Inc.

(Address before student body of
Purdue University.)

Twenty-two eventful years have elapsed since I last had the privilege of addressing the engineering students of Purdue University. Twenty-two years ago I suggested to Purdue students that the engineer who looked upon his profession broadly and idealistically would go far and that engineers might well apply their technical training to the study of human beings and human relationships. The experience of 22 crowded years has served to strengthen those convictions.

As an introduction of this day's discussion of problems in industry which should be known to the engineering student, I quote the following paragraphs from an eloquent and inspiring address made by Mr. Frank E. Mullen, distinguished N.E.C. Vice President to the Alpha Gamma Rho Fraternity a few weeks since:

"I am not going to talk to you men today about careers or about personal success. It would be an insult to your intelligence for me to mouth glib phrases and clichés about getting on in the world. All of you are facing a future in which the immediate prospect is life or death; a future in which there can be no success for anyone, no life nor future for anyone, until we have won the war."

"But there will be a day after the victory when you will be able once more to turn your thoughts to normal life, when you can contemplate a future in which you can build for security and happiness, for personal honor and achievement, for recognition among your fellow men. I would like to direct your thoughts beyond your immediate future with its dangers and uncertainties, to the future of victory for our country and for ourselves as human beings."

In the spirit of Mr. Mullen's ap-

proach, let us now turn to consideration of some of the problems of industry with which we must deal if our post-war world is to be the kind of world in which you will want to live.

Social Obligations of Business Management

All thoughtful citizens of our country are conscious of the fact that as a united nation we must solve three great problems:

1. We must win the war.
2. We must win the peace.
3. We must take a leading part in the reorganization of the world to insure lasting peace.

Those who contend that we must concentrate all of our energies and thinking toward winning the war to the exclusion of the two other problems are indeed short-sighted. Unless we definitely and successfully plan for the solution of the second and third problems, the winning of the war, with all its hideous costs of death, human misery and material wealth, will be without real meaning.

In times of peace our country failed to prepare for war, as a result of which we were thrown into a weakly defense and terribly dangerous position. Our failure in times of peace to prepare for war probably was the most costly mistake in the world's history.

It seems, therefore, vitally important that in time of war we must prepare for peace. We must prepare, not for a temporary peace to be ended another time by a war even more disastrous than this, but our country must this time assume its obligations to take the leading role in the constructive reorganization of the world. We must emerge from this war so strong in the united will of our people, so strong in terms of armament and trained manpower, that our planning for the peace of the world can never be challenged by another nation or coalition of nations, and these things will not happen unless we plan definitely in days of war for permanent peace.

However, our planning for peace cannot be allowed to detract in the slightest degree from our concentration upon winning the war. We simply must achieve abilities and capacities that will allow us to do all three things effectively and simultaneously.

To win the war, to win the peace, to play the leading role in moulding a new world that will be permanently peaceful and richly productive—there are the challenges and the opportunities that confront the people of the United States. There also is the responsibility for pushing the frontiers of freedom and of individual opportunity unlimited to the ends of the earth.

Only in the degree to which we can achieve and exemplify American unity and effective cooperation among our own groups can we hope to qualify for that responsibility to meet that challenge, to realize that opportunity.

Must Attack 3 Problems

It is obvious that American industry must play an important part. Already industry has achieved the impossible in producing war materials. Just after Pearl Harbor was attacked a distinguished, internationally-minded economist of German birth made this prophecy: "History will record America's industrial achievement as the outstanding miracle of the war."

Just as industry is now making vitally important contributions toward winning the war, it must function in the post-war period to provide employment, to supply goods and services, to give the complicated national and international economy required velocity. The formula $MV^2 \rightarrow 2$ operates with the same immutability in economics that it does in physical dynamics. Immobile wealth is merely inert mass. The processes of industry and commerce supply the element of velocity that is essential to prosperity and to social welfare.

But American industry, like other forces that must be brought to bear upon our current and future problems, cannot operate in a vacuum, nor can it operate in a destructive environment. If we are to assume staggering responsibilities, accept breath-taking challenges and grasp our opportunities unlimited, our many American social and economic groups must achieve a degree of mutual understanding and effective coopera-

tion that is not now apparent.

Eric Johnston, president of the Chamber of Commerce of the United States, recently made the following statement:

"After this war, we will have the greatest plant capacity in history; we will have a greater source of raw materials, both natural and synthetic, than we have ever had; we will have the greatest number of skilled mechanics and technicians ever available to any nation; we will have the greatest backlog of accumulated demands for all kinds of commodities; and accumulated savings with which to buy this backlog of accumulated demands."

"To use this store of machine power and manpower, we must have a new order of cooperation among government, management, labor and agriculture."

As we think in broad terms of winning the war and winning permanent peace we must realize not only the validity of Sherman's famous dictum that "war is hell" but the fact that adversity is not without its sweet usages. As a nation we shall achieve a greater degree of mutual understanding and cooperation as we face common adversity.

American Industry's Part

Communities and nations tend to degenerate during long periods of prosperity and soft living. They find regeneration through the cooperative effort and common sacrifice incident to dealing with adversity and common danger.

It must be admitted that the people of the United States have in recent years developed dangerous group consciousness and suicidal group selfishness. If we review our history objectively I think we must agree upon the following diagnosis.

Our forefathers freed our nation from restrictive influences and created an environment conducive to cooperation on the part of all elements of our social structure—workmen, farmers, consumers, inventors, industrial pioneers, capitalists. In that environment an ingenious and energetic people developed a benevolent industrial economic cycle which has contributed to the American way of life and to the American standard of living.

Almost imperceptibly the environment so created has changed. Restrictive influences again threaten to throttle our freedom. Cooperation has been replaced by short-sighted, suicidal selfishness. Statesmanship is superseded by political expediency. National and state political administrations and legislatures slavishly serve powerful political blocs and neglect the broad public interest because we, the people, have degenerated and have forced them to act.

Now we are engaged in a struggle without precedent to determine whether we, the people of the United States, will be engulfed in the darkness that has obliterated France or whether we shall win regeneration.

We face a more fundamental and important test than that of winning the war. Internal forces more dangerous than any foreign aggressor threaten the country's future. These internal forces will surely destroy the nation unless we can find renewed unity and again learn to cooperate effectively among ourselves as we face a common, foreign enemy.

As the war proceeds, we may be dragged through the lowest pits of hell. In terms of human misery and material loss we may suffer unimaginably. If, by paying such a price, we can achieve national regeneration and again march as a united people toward our destiny, that terrible price will not be too much to pay.

During recent months a great deal has been said about the American system of free enterprise which has contributed so importantly toward bringing about in our country the highest material standard of living that has been achieved in the world's history. During recent years many experiments have been started which circumscribe the operation of free enterprise and such restrictions have necessarily been greatly increased to meet the war emergency. It seems to me that we need have no serious doubts about the continuation of the free enterprise system after the war.

Before the war the system had proven its efficacy by bringing to the people of America a much higher material living standard than had been experienced under any other system at any time in the world's history. During recent months free American industry and business have wrought a miracle without precedent by conversion into war production and by producing war materials in such quantity and of such excellence

as to confound the critics and confuse the pessimists.

Restrictive Influences

Moreover, our national history supports the statement that we go from one extreme to another, and in all likelihood there will be an interesting reaction from policies of extreme regulation of American industry by the bureaucracies of Washington. I think we shall not make the sacrifices and face the dangers necessary to save our freedom from foreign foes and then sacrifice that freedom by accepting bureaucratic domination.

However, there will be no return for business and industry to the good old days of the '20's. As Walter Fuller has pointed out, those days simply were not good enough. Business enterprise will be regulated by the will of the people to a greater degree than it was in the distant past, and in all likelihood the people, through their government, will continue to engage in many activities which formerly fell within the province of private enterprise.

American business management during recent years has undergone a strenuous course of education. In the distant past management was principally concerned with the successful manufacture and sale of goods. Management's attention had been so far concentrated on those objectives that it had been only dimly conscious of its social obligations.

(Concluded on Page 4, Column 1)

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Ruthenburg Outlines Social Obligations Of Management

(Concluded from Page 3, Column 5)

Proficiency in making and selling, accompanied by resultant social benefits, is not now good enough. Management now has become clearly conscious of its social obligations. For the future industrial management must be regarded as a trusteeship. The current pattern of management may be described as one designed to serve equitably the interests of three major groups—the customers, the people on the payroll, and the owners of the business. In this conception of management's responsibility there is an implicit understanding that failure to serve equitably the interests of any one of these groups will result in serious injury to the other two.

The first and most important phase of putting this pattern in production will be to bring about the enthusiastic cooperation of the people on the payroll. The people on the payroll are

management's partners, but between these partners there frequently is failure of full cooperation, which develops out of lack of understanding, and management's first step toward achieving the current pattern must be to dispel misunderstanding and supply understanding where it is lacking.

And let it be frankly admitted that the industrial manager frequently has supplied the ammunition for the attack against himself. In his preoccupation with the problems of successfully making and selling goods the manager has not made an effective counter-attack upon those forces which tend to drive the people on the payroll into a skeptical and often into an antagonistic attitude. Frequently he has failed to put his house in order, thereby becoming extremely vulnerable to the attacks of those disrupting forces.

Industrial Relations

Present Real Sales Job

Today management finds itself faced with the necessity of applying to the problem of industrial relationships the same concentrated attention, ingenuity, and resourcefulness with which it has habitually attacked those problems having to do with production and sales. Progressive management realizes that successful production, satisfactory sales, and adequate profits are, in the last analysis, simply the by-product of effective human relationships in industry.

As the industrial manager addresses his attention to this task, he finds himself facing a sales job of the first magnitude. He finds that competitive salesmanship has outdistanced him. He finds that many of his people cling to beliefs that to him are shocking fallacies. He knows that people are likely to be more emotional than logical.

If he could assume that people are always guided by common sense, logic, and facts confirmed by long experience, he would have little occasion to be concerned about the difficulty of his task. But we all know that such an assumption would be wholly unsound. When people are emotional they believe what they want to believe, and their beliefs frequently do not correspond to the facts.

Not only is the general acceptance of such fallacies a very natural and human thing, but fallacious beliefs are greatly encouraged by clever and capable people who profit in the degree to which they can successfully sell such fallacious ideas.

In candor it must be admitted that these self-appointed saviors have done a far better job of selling their wares than American businessmen have done in selling the facts. This thing has crept upon us in a very subtle fashion. We have been so preoccupied with our business problems that we have not troubled to realize how greatly business will suffer if such fallacies go unchallenged.

When such differences in belief must be bridged, it is apparent that the industrial manager faces a real big league selling job if he is to dispel misunderstanding as a necessary preliminary for the realization of complete cooperation. Effort must be consistently directed toward convincing his people that their interests and those of the management are not antagonistic but mutual; that they will enjoy greater gain by working in full partnership with management than by listening to the siren voice of impractical idealists, crackpots, and racketeers who have little understanding of and no sympathy with the mutual problems of workmen and management.

The average American workman has sufficient intelligence and experience to understand that higher wages and shorter hours will avail but little if they result in increasing costs to a degree that puts his employer out of competition or discourages buying and wrecks the business. He has a common interest with management in insuring the future stability of the business. The theme of partnership and mutual interest must be stressed constantly and effectively.

As we examine our policies we must recognize a few simple principles. Emotions—the way people feel—are of first importance. You may have the finest and most equitable policies imaginable, but if your people feel that they are otherwise, the fact will be of no practical importance. The way the job is done is just as important as what is done. The spirit in which the undertaking is approached and carried through is of far greater importance than the particular form the project assumes.

In examining our policies, it is well to begin with those which affect the purse, remembering that annual, monthly, and weekly earnings are far more important than the hourly rate.

How do such earnings compare with those paid by other firms in our community? How do our people feel about our methods of wage payment? Are these methods such that the most ignorant workman in the plant can at all times accurately check the calculation by which his earnings are computed? Do any of our workmen feel that they are inconsequential parts of large earning groups in which individual effort is of relatively small importance? Do our workmen feel that piece-work prices are properly guaranteed or do they feel that high earnings will result in price cuts?

What of lost time which affects weekly, monthly, and annual wages? Has everything possible been done with material control, maintenance of equipment, reduction of seasonal fluctuations to insure continuity of employment?

Are the people on our payrolls convinced that they can obtain permanent wage increase by increasing their productive efficiency or do they stop short of their best effort for fear that increasing the pace will result in ultimate advantage to the company only?

What of shop conditions with respect to safety and sanitation?

Are provisions for recreation and social activity adequate?

What educational facilities do we provide for our employees to the end that people may be better qualified for their present jobs and for promotion?

Have we provided a fair and impartial court of appeal from decisions of our foremen which our employees feel to be unfair? Can they appeal to this court without fear of reprisal on the part of the foremen and superintendents?

Next, it is well to think in terms of how our people feel about their immediate supervision. Have our group leaders, straw bosses, assistant foremen, foremen, superintendents, and rate setters been carefully and systematically trained in the intricate art of dealing with men in such a manner that they will feel that they are receiving a square deal?

The foregoing questions are only suggestive and do not by any means cover the entire range that must be canvassed in order to establish sound and stable policies of employee relationships. Candid appraisal of such matters of policy may disclose desirable changes.

Selling Industrial Plans

Having reviewed and if necessary having modified our policies, we must next think in terms of effective selling methods. If the number of employees is not too great and the general manager has the necessary qualifications, direct selling may be given favorable consideration.

Misunderstandings, suspicion, and delays are minimized. Every employee feels that he has direct access to the management. The manager at all times knows the exact sentiment of his people. This plan cannot be followed with maximum effectiveness unless the manager has good qualifications for dealing with large groups of people.

Moreover, the effectiveness of such a plan may be lost if those intermediaries—superintendents, foremen, assistant foremen, and group leaders and rate setters, who are in more constant and intimate contact with the working force than the general manager—are not well trained in the art of constructively dealing with the working forces.

Under such a plan, the general manager must at all times avoid the danger of weakening the authority or assuming the responsibilities that should be vested in those same intermediaries.

In large organizations the direct selling plan is, for obvious reasons, impractical and the work must be delegated, in large part, to the supervisory force and to the works council.

Bearing in mind the fact that the most effective selling will result from the adoption and constant and consistent practice of sound policies, the importance of effective education of the supervisory force and of the works council will be recognized as an undertaking of the greatest importance. Our people are not mind readers.

Our policies and our reasons for adopting such policies must be thoroughly understood by every individual who represents, supervises, or influences the people on our payroll, and these people must be trained to transmit to our employees without distortion. The educational problem is not one that will be easily solved. It requires the adoption of a sound philosophy, careful planning, and the utmost patience and persistence in execution.

The selling campaign must be regarded as a continuous, never-ending

activity. When selling and advertising activity cease, or diminish, people do not continue to buy.

The major and most effective activities always will be those which have previously been outlined. But just as any major selling effect is made more effective by contemporary advertising and promotional activity, we shall find it worthwhile to explore every possible channel through which people may be influenced to adopt a constructive and cooperative attitude.

An autonomous organization of employees for organizing and supervising sports, recreation and social activities frequently is most helpful. Annual picnics and balls sponsored by such organizations soon become institutions of value in the general scheme under discussion.

An educational program which will help people to increase their earning capacity by becoming more proficient may serve many useful purposes.

Constructive handling of group insurance, first aid activities, and sick benefits should receive the active attention of management.

Too frequently such activities as those last described are not organized and correlated to the central theme of selling constructive ideas to the working force. Selling cannot be done too aggressively through such agencies. Here suggestion and the practice of fair play will be more effective than forceful sales tactics.

American industry must make rapid progress in this matter of industrial relationships. This may be accomplished steadily, constructively, and without disruption of industrial activity if management will quickly adopt constructive measures.

But management cannot regard its task as more than well begun when it has put its house in order and even after it has attained a reasonable degree of understanding and cooperation on the part of its own working force. The task of a manager of any one industrial plant in a community may be rendered extremely difficult, in fact his efforts may be futile, unless all industrial managers in his community adhere to a common, constructive program and push it to completion with equal diligence.

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